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Meeting Minutes
ND Economic Development Foundation Meeting
Thursday, August 7, 2014
Hess Corporation Tioga Office Complex – Tioga, ND 58852

WELCOME AND CALL TO ORDER:

The meeting was called to order at 10:00 a.m. by Wally Goulet, Chairperson.

Members Present: Al Anderson, Bill Shalhoob, Chuck Hoge, Eric Trueblood, Jim Traynor, Jon Simmers, Mark Nisbet, Randy Hatzenbuehler, Steve McNally, and Wally Goulet.

Members Present Via Phone: Bruce Smith, Bruce Thom, Judi Paukert, Lyn James, Robert Hovland.

Members Absent: Dan Traynor, Gary Miller, J. Bruce Rafert, John Q. Paulsen, Kari Ness, Pamela Schmidt, Tim Hennessy.

Guests Present: Jill Schwab, Justin Dever, Paul Lucy, Sara Otte Coleman, Wayde Sick, David Williamson, Terry Fleck, and Shawn Wenko.

WELCOME & INTRODUCTIONS:

Wally Goulet provided a welcome to members and guests and introductions were made around the room and on the phone.

APPROVAL OF AGENDA:

Wally Goulet asked for a motion to approve the August 7, 2014, agenda.

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Wally Goulet asked for a motion to approve the August 7, 2014, agenda.

Motion: Jim Traynor moved to approve the August 7, 2014, agenda. Eric Trueblood seconded the motion. Motion carried.

APPROVAL OF MINUTES:

Wally Goulet asked for a motion to approve the May 30, 2014, minutes.

Motion: Jon Simmers moved to approve the May 30, 2014, minutes. Mark Nisbet seconded the motion. Motion carried.

Wally Goulet asked for a motion to approve the June 13, 2014, minutes.

Motion: Bill Shalhoob moved to approve the June 13, 2014, minutes. Eric Trueblood seconded the motion. Motion carried.

COMMITTEE REPORTS:

Finance Committee

Quarterly Financial Statements

Jim Traynor reported that the Profit & Loss Statement for April 1, 2014 – June 30, 2014, reflects a net income of \$-367,678.78. The Balance Sheet as of June 30, 2014, is \$108,800.26. The Statement of Cash Flows from April 1, 2014 – June 30, 2014, is \$104,800.26. Outstanding pledges through June 30, 2015, are \$54,000.

Wally Goulet asked for a motion to approve the financial statements as presented.

Motion: Jim Traynor moved to approve the financial statements as presented. Steve McNally seconded the motion. Motion carried.

Budget

Jim Traynor presented the budget as outlined. Foundation members request that the budget approval be tabled until the next meeting after making revisions to include the Tourism match dollars to cover the Find the Good Life campaign expenditures (\$400,000) to ensure we do not approve a negative budget.

Wally Goulet asked for a motion to table the Budget for 2014-2015.

Motion: Jim Traynor moved to table the budget until the 4th quarter meeting. Steve McNally seconded the motion. Motion approved.

Additional Signor on Checking Account

Jill Schwab explained that after consulting with the Attorney General's Office and the State Auditor's Office, there seems to be no direct conflict of interest in adding Sara Otte Coleman to the Foundation's checking account as an additional signor as long as the signatures are placed after hours, so she will proceed with adding Sara as a signor on the Starion Financial checking account.

Laser checks have been ordered and received from Deluxe. The version of QuickBooks that Jill Schwab uses does not allow her to print digital signatures; therefore, she purchased the 2014 version of QuickBooks software through Brady Martz & Associates in order to produce the officer's digital signatures on the checks in the future. Jill Schwab will take a daylong training class in Bismarck on September 17, 2014, at Brady Martz & Associates to learn the software and how to insert digital signatures.

DEPARTMENT OF COMMERCE UPDATE:

Commissioner Report/Comments

Al Anderson reported that the Department of Commerce recently received one of the "Best Places to Work" designations by the Bismarck-Mandan Young Professional's Network.

Commerce has replaced our Workforce Development Division Director, Beth Zander (with Wayde Sick) and our Deputy Commissioner/DCS Division Director, Paul Govig (with Interim Director Bonnie Mafo). A new DCS Division Director will be named by the next board meeting.

Commerce is currently working through the EmPower ND legislation with six bill drafts, which will be presented to the Interim Energy Development & Transmission Committee on August 14, 2014.

Commerce is currently putting together their hold even budget (\$32 million) and will look at one-time or optional packages for the Governor's consideration. During the 2013-2015 Biennium, Commerce's budget was \$64.5 million with optional packages. In preparation for the 2015-2017 Biennium, some programs will be cut and others will ramp up in funding requests. Childcare facility grants and housing assistant grants have doubled in requests. There will be a slight reduction in Research ND grants (from \$12 million down to \$10 million). The two largest funding increases are in Entrepreneurship (\$3.5 million) and in Tourism enhancement (Chicago (\$3.2 million) or

possibly Denver markets). Commerce is going to maximize some federal dollars with partner programs as well. There are still \$35 million in requests on the table. These requests have not been run through the Office of the Governor to date. The Governor's review should be on or around August 18, 2014.

Jim Traynor explained that Fargo is embracing the entrepreneurial culture with hosting TedEx talks and One Million Cups. Jim Traynor showed members a video on entrepreneurship called "Build 2014" which will be held in Fargo, ND on September 22-24, 2014.

2020 & Beyond Initiative

Justin Dever and Bill Shalhoob presented the finalized 2020 & Beyond 2014 update to members. There have not been any significant changes to the Plan since the last meeting outside of some minor editorial changes (2020 & Beyond document).

OLD BUSINESS:

Meeting Date/Location for Quarterly Meeting

The next Foundation meeting will be held in Bismarck on November 12, 2014. Steve McNally recommended that Hess host an evening reception in Bismarck for spouses during the fourth quarter meeting. The meeting/reception will be held at the North Dakota Heritage Center.

Legislative Reception

The first quarter board meeting will be held in Bismarck in February 2015 along with a joint legislative reception in Bismarck with EDND and the ND Young Professional's Network. Foundation volunteers for the Legislative Reception in Bismarck in February 2015 are: Jon Simmers, Pamela Schmidt and Wally Goulet.

Find the Good Life Campaign/Finances Update

Sara Otte Coleman reported on the Find the Good Life in North Dakota campaign metrics. The campaign seems to be going pretty well. The concept is a trial and error, implement, and adjust as we go type of campaign. The first step of the campaign was to develop a "Find the Good Life" website along with a digital marketing campaign, which was targeted behaviorally as well as geographically. In the military realm, we had 15 million impressions with the veteran population (\$98,669.39 cost). Online job seekers had 20 million views with a cost of \$106,621.18. There were six testimonial videos developed and posted on the website and received 1.2 million views with 71.25% with a cost of \$30,859.89.

doing so by mobile phone or tablet (over 80%). The Outlink Destinations to JobsND.com, FindJobsND.com, and partner outlinks from May 5, 2014, to July 29, 2014, were 3,041. The intent is to inquire with Job Service North Dakota and ITD to see if there would be an option of getting a registration waiver on the Job Service site.

New online registrations and resume uploads are holding steady at Job Service North Dakota with the top state being Minnesota. Calls to the Find the Good Life were 105 since June 1, 2014, and calls to Job Service North Dakota since May 2014 were 84. The total number employed had a slight increase in June 2014. Military career fairs have been held in Texas, Oklahoma, Indiana, Pennsylvania, and Minnesota. Four more events are planned for Colorado, Georgia, Ohio, and Illinois.

The Find the Good Life subcommittee should meet more frequently to develop additional ideas to identify tangible action items. Some starting points would be a conversation with Representative George Keiser, an online job fair, a call to Job Service North Dakota's Executive Director, Cherie Giesen, to see how we can be more website compatible/user friendly, developing a Recruiter's Network, possibly linking in digitally to Sean Hannity, utilizing YouTube or some sort of social media outlet, and identifying Signals of Intent to move to ND.

NETWORKING LUNCH

Melissa Koch from the Tioga Economic Development Corporation stated that parking on Main Street is an issue in their community. They currently have six main street lots available for development (22,750 s.f.). Tioga's population is projected to double in size in the next five years to 6,000 people. They are facing a housing shortage. A two-bedroom home in Tioga rents for \$2,300 per month. Tioga is moving forward with the Renaissance Zone in the downtown area. They hope to have a few new restaurants in the near future. Costs for housing developments are high (\$225,000 - \$230,000 for a two-bedroom townhome). Melissa Koch's current focus is bringing back business to downtown Tioga. The dikes around Tioga will be expanded before the new wastewater treatment plant is built.

Fundraiser Update

Terry Fleck reported that lobbying the targeted investors to buy into the campaign has been more of a challenge than he anticipated. The key to this project is to get in front of the right people to sell the campaign. There has been some business resistance, budget constraints, and inability to secure appointments with company heads.

David Williamson reported the same sentiments about his challenges with the campaign. He experienced a lack of return phone calls in recent months. He does have verbal commitments from several companies and hopes to have contracts within the next few weeks.

NEW BUSINESS:

Policies and Procedures Revisions

Jill Schwab reported that three new policy additions were approved by the Policy Committee on June 18, 2014. Those changes are:

- Add Section 8: All Foundation members must sign a yearly Code of Ethics Form to maintain compliance with performance audit requirements.
- Update Article III. Meetings under Section 2, letter b to reflect Election of Executive Committee members and officers for two-year terms.
- Add Article IX. Amendments to Policies and Procedures: Proposed amendments to the Foundation's Policies and Procedures must be presented to the Board of Directors no later than one meeting prior to the meeting at which the vote takes place. An amendment shall be adopted by a simple majority of those present and voting.

Wally Goulet asked for a motion to approve the revised Policies and Procedures.

Motion: Bill Shalhoob moved to approve the revised Policies and Procedures. Jon Simmers seconded the motion. Motion carried.

Election of 2014-2015 Officers/Executive Committee/Subcommittees

Wally Goulet requested that the 2014-2015 Officers be named as follows:

Chair: Wally Goulet
Vice Chair: Jim Traynor
Secretary: Robert Hovland
Treasurer: Bill Shalhoob

Motion: Mark Nisbet moved to approve the 2014-2015 Officers. Jim Traynor seconded the motion. Motion approved.

Motion: Bill Shalhoob moved to appoint Steve McNally to the Executive Committee. Jim Traynor seconded the motion. Motion carried.

A replacement for Frank Keogh on the Finance and Fundraising Committee will occur by the next meeting and J. Bruce Rafert will be replaced on the Executive Committee and the Technology-Based Entrepreneurship Screening Committee when his term ends on September 30, 2014.

Annual Benchmark Status Report/Review Foundation Strategic Plan

Al Anderson gave an overview of the 2010-2020 Foundation's Strategic Plan and the five essential strategies for continued growth:

1. Maintain a positive business climate that supports private sector investment, growth and job creation.
2. Invest in university-based research and development conducted with the private sector.
3. Foster a culture of entrepreneurship where innovative companies can thrive.
4. Address education, training, recruitment and retention to provide a steady supply of skilled workers.
5. Promote export trade.

North Dakota's Targeted Industries include Advanced Manufacturing, Technology-Based Businesses, Value-Added Agriculture, Tourism, and Energy.

Justin Dever provided the following updated benchmarks as of July 31, 2014:

ND Economic Development Strategic Plan

Performance Measures Updated on July 31, 2014

GOAL 1 Create, attract, and retain quality jobs and workforce in targeted industries and high-demand occupations.

- 1-1. Net Job Growth (2020 Target: 476,100; goal of 426,100 jobs was revised on 11.1.2013)
2010: 376,000 2013: 444,300 Increase: 68,300 jobs
2014 figures will be available in February 2015.
- 1-2. Average Annual Wage (2020 Target: \$50,000)
2010: \$38,127 2013: \$47,779 Increase: \$9,652 in ave. annual wage
2014 figures will be available in June 2015.
- 1-3. Per Capita Personal Income (2020 Target: \$60,000)
2010: \$43,232 2013: \$57,084 Increase: \$13,852 (128% of nat'l. ave.)
Initial estimates for 2014 will be available in April 2015.
- 1-4. Population (2020 Target: Population of 800,000; goal of 700,000 was revised on 12.6.12)
2010: 674,344 2013: 723,393 Increase: 49,049
Population estimates for July 1, 2014 will be available in December 2014.

GOAL 2 Strengthen North Dakota's business climate and image to increase national and global competitiveness.

- 2-1. Gross Domestic Product (2020 Target: \$50 billion)
2010: \$35.482 billion 2013: \$56.329 billion Increase: \$20.847 billion
Advanced estimates for 2014 will be available in June 2015.
- 2-2. Merchandise Export Value (2020 Target: \$6.5 billion; goal of \$4 billion was revised on 11.1.2013)
2010: \$2.54 billion 2013: \$3.71 billion Increase: \$1.17 billion
2014 figures will be available in February 2015.
- 2-3. Small Business & Entrepreneurship Council's U.S. Business Policy Index
(2020 Target: Ranked among the top 10 states; goal of top 15 was revised on 12.6.12)
2010: #18 2013: #12
The next release of the index is anticipated in December 2014.

GOAL 3 Accelerate innovation and entrepreneurship in targeted industries and emerging technologies.

- 3-1. Number of Private Sector Businesses (2020 Target: 32,000; goal 29,000 was revised 11.1.2013)
2010: 25,741 2013: 31,083 Increase: 5,342
2014 figures will be available in June 2015.
- 3-2. Number of business activities as a result of Innovate ND. (2020 Target: 200)
2010: 100 2012: 135 Increase: 35
- 3-3. Aggregate use of Seed Capital Tax Credits and Angel Fund Tax Credits.
(2020 Target: \$5 million)
2010: \$4,081,909 2012: \$7,129,339 Increase: \$3,047,430
2013 figures will be available in October 2014.

Reportable data:

Academic research and development expenditures – In 2010, North Dakota had an estimated \$204 million in academic R&D expenditures. In 2011, this increased to \$211 million.
Industry research and development expenditures – In 2010, North Dakota had an estimated \$236 million in industry R&D. In 2011, this increased to \$261 million.



GOAL 4 Enhance the state education and training system's ability to meet business and workforce needs of the future.

- 4-1. Number of students taking skilled trade and technical education programs.
(2020 Target: 33,600 students)
2009-10: 30,753 2012-13: 30,794 Increase: 41
- 4-2. Retention of post-secondary program completers. (2020 Target: 65 percent)
2009: 64.2 percent 2010: 67.7 percent Increase: 3.5 percent



GOAL 5 Continue to enhance a unified front for North Dakota that supports community, economic and workforce development.

- 5-1. Number of local development and tourism stakeholders participating in Commerce-sponsored marketing, tourism, workforce, business development and community development activities.
(2020 Target: 3,100 - maintain high participation)
2011: 3,082
Next survey will be conducted in third quarter 2014.
- 5-2. Stakeholder perceptions of a unified front for economic development in the state.
(2020 Target: 85 percent)
2011: 83.6 percent
Next survey will be conducted in third quarter 2014.



GOAL 6 Enhance North Dakota's image.

- 6-1. Ratio of positive to negative tone in earned media placements.
(2020 Target: Ratio of 13 positive earned media stories for every 1 negative)
2010: 18:1 2011: 11:1
- 6-2. Number of visits as a result of paid advertising. (2020 Target: 2.4 million trips)
2010: 1.0 million visits 2012: 1.4 million visits
- 6-3. Expenditures by out-of-state visitors. (2020 Target: \$5.4 billion)
2010: \$4.6 billion 2011: \$4.8 billion Increase: \$.2 billion
- 6-4. Number of workforce relocators as a result of image enhancement efforts.
(2020 Target: 1,000 workforce relocators)
2010: 346 households 2014: 686 households Increase: 340 households
- 6-5. Tourism advertising impact on image. (2020 Target: 50 percent of respondents who say they strongly agree that "North Dakota is a place I would really enjoy visiting.")
2010: 32 percent 2012: 50 percent Increase: 18 percent
- 6-6. Number of active social media influencers who contribute to depicting a fun, friendly North Dakota.
(2020 Target: 1,000 social media influencers)
2010: 42 2012: 170 Increase: 128 influencers
- 6-7. International advertising equivalency for positive North Dakota stories.
(2020 Target: \$5 million in international advertising equivalency since 2010)
2011: \$1.23 million

Board Member Comments:

Chuck Hoge - Would be good to review Legislative items at the November meeting in Bismarck.

Mark Nisbet – Thanks to Steve McNally and Hess for hosting us and continuing to promote the Find the Good Life in North Dakota.

Steve McNally – focusing on the clean water measure on the November ballot.

Shawn Wenko – great meeting.

Al Anderson – Thanks to Hess for hosting the tour and thanks to the board for being so active and being such a great board to work with.

Terry Fleck – pleasure to meet everyone and thanks for the hospitality.

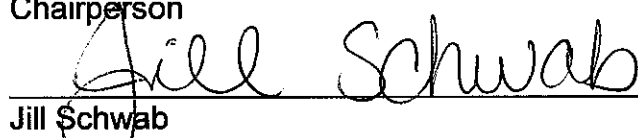
ADJOURNMENT:

Being no further business, Wally Goulet adjourned the meeting.

The meeting adjourned at 2:30 p.m.


Wally Goulet
Chairperson

11/12/2014
Date


Jill Schwab
Recorder

August 7, 2014
Date

FUTURE ACTION ITEMS:

- **Jill Schwab will coordinate the next Foundation meeting in Bismarck on November 12, 2014.**
- **Jill Schwab will coordinate the first quarter board meeting and joint Legislative Reception in collaboration with EDND and the ND Young Professional's Network in February 2015 in Bismarck.**
- **Jill Schwab will provide members with a revised 2014-2015 Budget at the November 12, 2014, meeting in Bismarck.**

- **Jill Schwab will organize an Executive Committee meeting in October 2014 to replace J. Bruce Rafert on the Executive Committee/TBEG Committee once his term expires on September 30, 2014.**